

City Light Advisory Board
Meeting Summary
August 5, 2003, 8:30 am – 12:00 pm
Boards & Commissions Conference Room L2, City Hall

Board members: Carol Arnold, Donald Wise, Sara Patton, Maura O'Neill, Randy Hardy (via phone)

Also present: Jim Ritch, Carol Everson, Joan Walters, Bob Royer, Marya Castellano, Dan Williams, Javier Valdez, Carol Dickinson, Sarah Scanlon, Sue Walsh, Shelley Kicuchi (Seattle City Light), Julie Tobin (Office of Policy & Management), Thomas Dunlap, (Department of Finance), Carol Butler (Legislative Central Staff)

SCL Superintendent search committee

The recruiter has started the recruitment process and would like input from the Board. The goal is to get information to the search committee by mid September. The Board would like to be more involved in the process and would be available to applicants, but would like hear the recruiter's ideas on Board involvement and more definition of the Board's role. Carol will pass on the comments regarding their involvement in the hiring process.

Superintendent's update

Energy bill. The US Senate passed last year's energy bill as an alternative to Domenici's title. The Committee process starts in September and the Northwest's interests may not be represented on the conference committee. Last year's bill contained none of the protections against standard market design. Seattle City Light (SCL) will be working with the alliance and other groups during next 60-90 days.

Power-marketing workshops. The workshop process is finished and staff are working on better reporting of metrics to track at risk position and addressing the question of risk tolerance.

Curtailment issue. The Superintendent is meeting this week with the Bonneville Power Administration (BPA), Ed Hanson, Snohomish Public Utility District (SNOPUD) and Steve Reynolds, Puget Power to follow up on the curtailment caused by the lightning strike. The goal is to better address curtailment issues with a collective set of actions to fix the problem in a more permanent fashion before winter.

SCL bond sale. On July 20, SCL closed a successful bond sale of \$251 million at 4.4 percent interest with \$140 million in new money. Ratings were sustained both by Moody's and Standard & Poors. Standard and Poors delayed the bond sale by two weeks which cost SCL more than a million dollars. Coupons ranged from 5 to 5.38 percent.

BPA lawsuit. All participants in the region except SNOPUD have agreed to the settlement. Documents are currently being drafted and will get back in week or so to dismissing litigation and referring \$55 million year of current residential exchange benefits deferred into 2007-11 period. The net result will be an average public utility rate decrease of 5 percent instead of an increase of 6.5 percent on all of BPA's customers. If SNOPUD does not settle the 6.5 percent increase starts in October. The impact on SCL would be a 1 percent increase if SNOPUD does not settle and a 2 percent decrease if they do.

Presentations

Seattle City Light financial strategy by Carol Everson and Joe McGovern, Finance & Administration (continued from July 8 meeting)

Presentation attached. Carol also distributed SCL's annual report.

SCL customer services by Joan Walters

Presentation attached.

Follow up

The Board requested that Joan provide a load chart by percentage to complement the chart displayed on page 5 of her presentation. Sara asked Joan for more information on whether the participation rates for eligible households (for low income energy assistance) had improved and offered to send Joan copies of studies on low income rate assistance.

Board business

The Board agreed to extend to the meetings until noon.

Community outreach meeting status.

1. Denis Hayes of the Bullitt Foundation and K.C. Golden of Climate Solutions meeting with Sarah and Jay will take place later in the month. Sarah and Jay met with Bill Arthur (Sierra Club), Steve Weiss (NW Energy Coalition) and Jay Formick (Oregon HEAT).
2. Eugene Wasserman of the Neighborhood Business Council with Sara and Don. Not yet scheduled.
3. Boeing -- Keith Warner or his Deputy -- with Carol and Jay. Delayed until December.
4. Vulcan with Maura and Don. (Maura to set up.). Meeting to take place later in the month.
5. SCL Employees -- mid-level managers with Carol and Maura. (Carol to set up.) See notes below.
6. Authors of the Vantage Study with Jay and Randy. Meeting being rescheduled.
7. Stu Clarke of BPA with Carol and Maura. (Maura to set up.) Meeting to take place later.

Proposed SCL outreach strategy from Bob Royer

The Advisory Board agreed to:

1. Meet with the SCL leadership group. The group of approximately 100 meets six times per year. The Board will introduce themselves, their qualifications, their goals and convey the report when ready. The Board committed that all board members who are available will attend the mid-September meeting. Carol will arrange. After that, board members will rotate their presence as needed.
2. Attend selected staff meetings. These are smaller groups of 10-20 on ad hoc basis. Bob will put together a list for the Board.
3. Participate in the utility future series (a brownbag series open to any employee) after the first year when the Board has produced a report.
4. Provide input to a SCL Advisory Board web page. The web page will provide links to meeting notes, member bios and other relevant information. A generic e-mail account to the Board will be set up to enhance employee communication. The Board will discuss and approve at the next meeting.
5. Meet with worker organizations. Sara and Carol will coordinate.
6. Meet with an SCL employee committee if formed.

It was agreed that communication be continued on the next meeting agenda.

Rate Advisory Committee (RAC)

The RAC is meeting earlier than usual to address suburban rate issues. The Mayor is considering whether to change the RAC mission/process. Don recommended that the Board not have a seat on the RAC but that a board member monitors the committee meetings. The Board would like to integrate themselves into the Mayor and Council recommendation process and become a peer with other groups receiving the recommendation. The Board needs to find out more about the legislative process to make that happen and incorporate in the committee charter. The Superintendent will also use his regular updates to report on progress. Don volunteered to monitor the RAC's progress and draft a policy on how the Board should interact with RAC. Carol will work with Andrew Lofton to integrate into process.

Future agenda items

Advisory Board workplan and other legislative reporting requirements - Carol

Codification of resolutions

Bonneville update -- Jim

Disposition of green tags. Develop a list of questions for Mike and Nancy at next meeting -- Sara